Platinum®
ASSET MANAGEMENT

Quarterly Report

30 September 2013

Platinum International Fund
Platinum Unhedged Fund
Platinum Asia Fund
Platinum European Fund
Platinum Japan Fund
Platinum International Brands Fund
Platinum International Health Care Fund
Platinum International Technology Fund

The Platinum Trust quarterly report is available on our website, *www.platinum.com.au*, from approximately the 15th of the month following quarter end

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Performance Returns to 30 September 2013

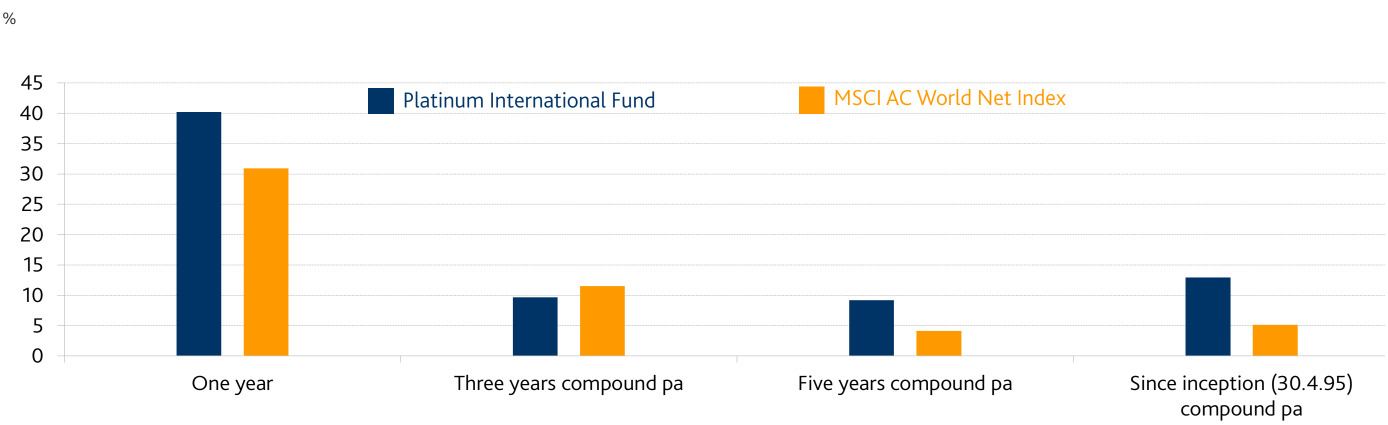
FUND	PORTFOLIO VALUE	QUARTER	1 YEAR	2 YEARS COMPOUND PA	3 YEARS COMPOUND PA	5 YEARS COMPOUND PA	SINCE INCEPTION COMPOUND PA
International Fund	**$8,708m**	**6.0%**	**40.2%**	**20.3%**	**9.7%**	**9.2%**	**12.9%**
MSCI AC* World Net Index		5.6%	30.9%	21.7%	11.5%	4.1%	5.1%
Unhedged Fund	**$233m**	**8.5%**	**39.2%**	**20.3%**	**11.1%**	**12.0%**	**10.7%**
MSCI AC World Net Index		5.6%	30.9%	21.7%	11.5%	4.1%	3.8%
Asia Fund	**$3,657m**	**4.1%**	**24.3%**	**15.7%**	**3.5%**	**8.7%**	**15.9%**
MSCI AC Asia ex Japan Net Index		3.5%	17.2%	14.4%	3.7%	6.6%	9.6%
European Fund	**$197m**	**9.4%**	**38.1%**	**27.5%**	**15.1%**	**12.3%**	**12.1%**
MSCI AC Europe Net Index		11.0%	37.0%	22.5%	9.5%	2.3%	1.3%
Japan Fund	**$394m**	**5.0%**	**69.1%**	**27.6%**	**19.2%**	**13.4%**	**14.4%**
MSCI Japan Net Index		4.4%	46.2%	15.9%	10.2%	1.6%	0.4%
International Brands Fund	**$1,108m**	**7.8%**	**33.8%**	**21.1%**	**12.8%**	**15.4%**	**13.5%**
MSCI AC World Net Index		5.6%	30.9%	21.7%	11.5%	4.1%	-0.6%
International Health Care Fund	**$76m**	**8.7%**	**34.8%**	**25.1%**	**20.7%**	**12.5%**	**7.3%**
MSCI AC World Health Care Net Index		4.3%	39.8%	28.3%	19.6%	8.1%	5.8%
International Technology Fund	**$46m**	**8.1%**	**34.0%**	**17.5%**	**9.1%**	**10.3%**	**8.3%**
MSCI AC World IT Net Index		6.3%	23.7%	20.7%	13.0%	6.9%	-6.4%

* Morgan Stanley Capital International All Country

Source: Platinum and MSCI. Refer to Note 1, page 36.

Platinum International Fund Versus MSCI AC World Net Index

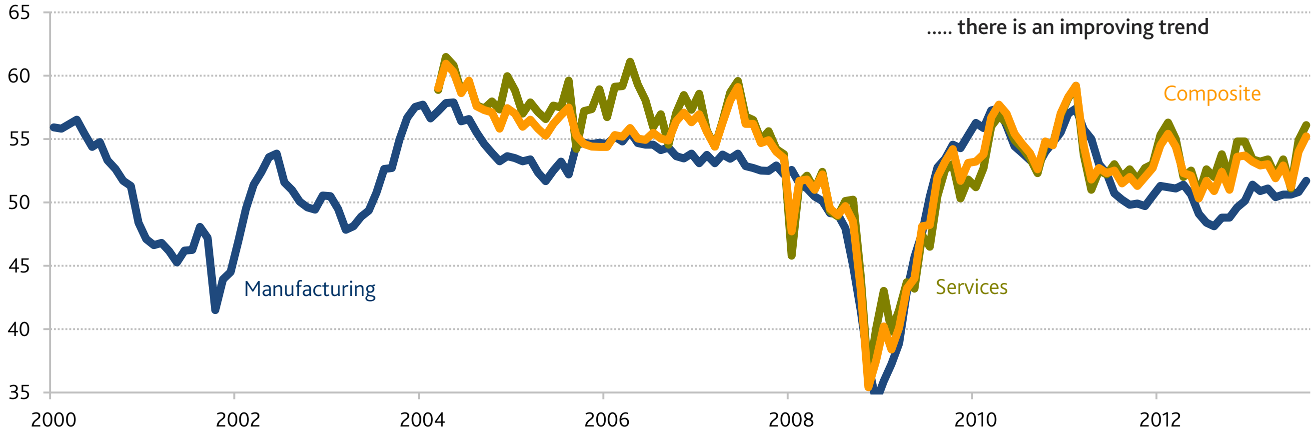
To 30 September 2013



Source: Platinum and MSCI. Refer to Note 1, page 36.

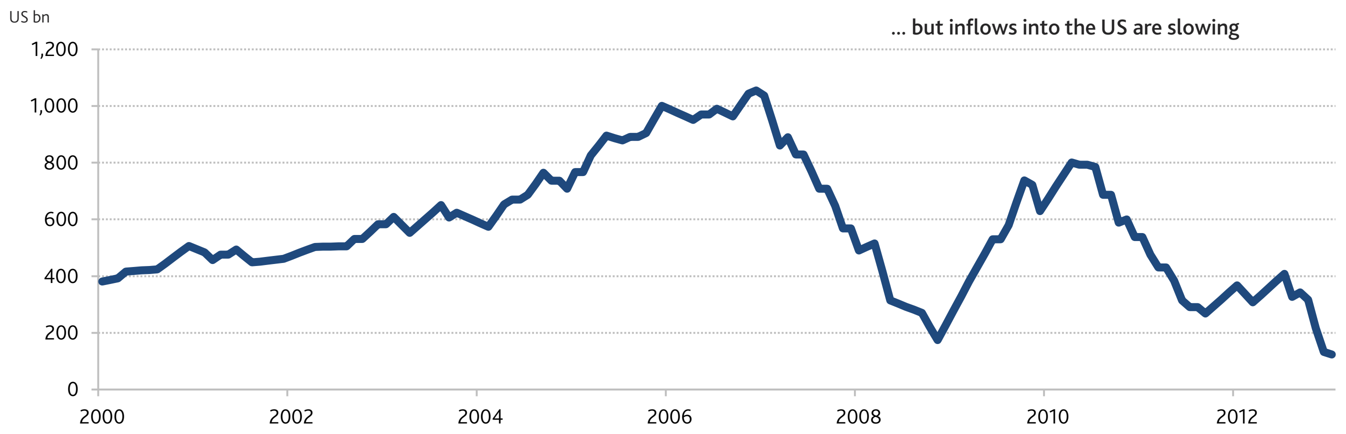
Market Panorama

Global Purchasing Managers' Index (PMI)



Source: JP Morgan and Markit

US Private Foreign Portfolio Inflows



Source: BCA Research

Western Europe Versus US - Relative Shiller Price Earnings Ratio*

* Based on a five year average earnings to current price. Source: Factset

Platinum International Fund

Kerr Neilson Portfolio Manager

Disposition of Assets

REGION	SEP 2013	JUN 2013
North America	29%	32%
Europe	27%	26%
Asia	19%	14%
Japan	15%	17%
Australia	1%	1%
Africa	0%	1%
Cash	9%	9%
Shorts	15%	14%

Source: Platinum

Performance

(compound pa, to 30 September 2013)

	QUARTER	1 YR	3 YRS	5 YRS	SINCE INCEPTION
Platinum Int'l Fund	6%	40%	10%	9%	13%
MSCI AC World Index	6%	31%	12%	4%	5%

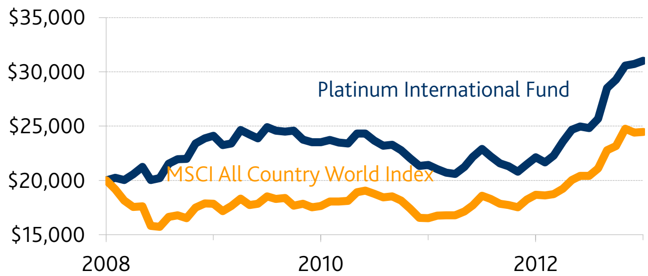
Source: Platinum and MSCI. Refer to Note 1, page 36.

The principal instruction one gathers from recapping the actions of the markets in the preceding 90 days is to note that many of the passing events proved inconsequential, yet at the time they seem significant. It would be a wonderful gift if one could better calibrate the significance of the daily clatter and it would undoubtedly lead to a more productive life.

This quarter we progressed through the Japanese election; a positive. Then there was the tightness in the Chinese interbank funding market that was resolved thanks to a more accommodative stance by the People's Bank of China (PBoC). Syria emerged as the next hurdle, and after much huffing, the Americans accepted the Russian brokered deal and matters

Value of $20,000 Invested Over Five Years

30 September 2008 to 30 September 2013



Source: Platinum and MSCI. Refer to Note 2, page 36.

quietened down even though the suffering continues. By September the mood had lightened with continuing positive readings from growth indicators like the Purchasing Manager's Index (PMI) for all the leading economies, the US, the Euro zone, Japan and China (see first chart page 3). As the quarter came to a close there was the strange change of course by the Federal Reserve Board which declared that tapering of bond purchases would be deferred. This initially excited the market, but then caution crept in.

Underlying this montage are the following realities, or so we believe:

- **Cheap money** is allowing many damaged economies to gradually heal.

  In particular, the passing of time and large interest rate spreads is helping banking systems to rebuild their equity and adjust their balance sheets. At the same time, reallocation of resources and cost adjustments in many countries with chronic current account deficits, like those in peripheral Europe, is establishing a base for future gains in activity.

- There is **surplus capacity** in many areas **which reduces the chance of a rise in the inflation rate**, meaning that interest rates can stay lower for longer than is common in an economic recovery.

- For now, the **tampering with the price of credit** is encouraging a re-pricing of tangible assets like property and shares, with a relatively benign effect on nominal assets like bonds.

- After a protracted bull market in bonds, the historically low level of available yields is driving **investors to accept more exposure to the risk** of equities and to leverage in general.

In large, part of the strong performance from equities this year can be attributed to a significant re-rating of shares rather than to earnings surprises. In the first five months of the year there were some solid gains in the smaller emerging markets like Indonesia and the Philippines, while in the developed markets this ''risk-on" trade has been evident in biotechs and mobile-related plays of the Internet.

The accompanying table reveals the surge in interest in continental Europe this quarter as fears subsided and the more positive view formed about the emerging markets. The latter had previously been pressured by growth concerns and the worries about their currencies as the US contemplated Quantitative Easing ("QE") tapering which was expected to draw money away from emerging markets and thereby raise interest rates.

MSCI World Index Regional Performance (AUD)

REGION	QUARTER	1 YEAR
France	13%	47%
Korea	12%	16%
Europe	**11%**	**37%**
Germany	10%	40%
China	10%	25%
United Kingdom	10%	30%
Australia	10%	25%
Hong Kong	7%	26%
Developed Markets	**6%**	**34%**
Japan	**4%**	**46%**
Emerging Markets	**4%**	**12%**
Asia ex Japan	**4%**	**17%**
United States	**3%**	**33%**
India	-7%	-3%

Source: MSCI

MSCI World Index Sector Performance (AUD)

SECTOR	QUARTER	1 YEAR
Materials	9%	12%
Industrials	9%	40%
Consumer Discretionary	8%	49%
Information Technology	6%	24%
Energy	6%	18%
Telecommunication Services	5%	23%
Financials	5%	38%
Health Care	4%	40%
Utilities	2%	20%
Consumer Staples	1%	27%

Source: MSCI

By sector, there are also clear signs of greater interest in the more cyclical sectors of the markets at the expense of predictables.

Against a rise of the MSCI World Index of 5.6% for the quarter and 30.9% for the year, the Platinum International Fund has outperformed with returns of 6% and 40.2% respectively.

Changes to the Portfolio

As a general statement, we have continued to migrate the portfolio away from predictables towards cyclicals with the full disposal of Johnson & Johnson, PepsiCo, Vodafone and the partial sale of Microsoft, Sanofi (pharmaceuticals), Adidas and Bank of America. We also sold the remnants of holdings such as Shin-Etsu Chemical, Nintendo, Obic, CyberAgent and Reed Elsevier. (Apart from Nintendo, these were all very profitable investments.) Significant new positions were established in Internet plays eBay, Naver Corp and Zillow, and financials like Intesa Sanpaolo SpA, KB Financial, PICC Property and Casualty, and ICICI Bank.

eBay has come a long way since the Internet boom where it made its mark as an auction site. These days it considers itself as a facilitator in the converging world of on-line and off-line retailing and payment. It has considerably enhanced its IT capacity and through clever acquisitions and thoughtful actions, it has repositioned itself to be among the leaders in e-commerce.

This hardly fits into one's standard basket of neglect, but it seems that the market is perhaps underestimating the potential of the move to mobile commerce and the extraordinary potential of *PayPal*, if it is indeed successful in leveraging itself into the position of the most convenient and safest payment mechanism for e-commerce. As the CEO likes to remind the market, the convergence or blurring between on-line and off-line transactions increases the firm's addressable market 20 fold. Starting with an earnings yield of 5% and growing by 15% or more for the next several years, we find this a most fascinating option in the making.

Naver and **Zillow** are likewise stocks with unusual optionality derived from the acceleration of e-commerce (see commentary below). Based in Korea, Naver has been winning users to its "*LINE*" social media messaging service which is now growing fast outside of its Asian origins with over 250 million active users to date. Funded by a dominant position in search in native Korea, Naver has the cash flow and balance sheet to fund its ambitions and gradually monetise the social network.

Zillow is following the earlier format for success in e-commerce by becoming the portal of choice for those seeking to transact on residential real estate in the US. By aggressively marketing for eyeballs and by providing useful information about the local markets it has become the most visited real estate site in the US. There are issues about data ownership and quality, but the market potential is huge and the prospects for competitors other than Trulia, do not look bright.

The financials we have been acquiring are all about valuations and the receding risk of financial intermediation. Both **Intesa** and **KB Financial** are the leading banks in their respective countries of Italy and Korea and their markets are showing early glimmers of improvement. Trading at around 60% of book value, that has already been heavily provisioned, we like these companies for their running yields and recovery prospects.

Shorting

We have been relatively inactive with our principal shorts, but have traded around with some buying of short-term put options.

Currency

Our position is largely unchanged from last quarter. We own no Yen and little Australian dollar, with the portfolio long the US dollar to 52%, European currencies to 31% and Asian currencies to 15%.

Commentary

Rather like the disruptive technology of the railways in the 1800s, which spawned a succession of stock market booms, we believe the Internet could prove just as potent at exciting similar crowd behaviour. If you cast your mind back to the turn of this century, there was huge excitement about the power unleashed by browser technology and a resultant commercial war between Netscape and the dominant software provider of the time, *Microsoft,* with its alternative of Internet Explorer. There was a concomitant land grab for domain names as well as a proliferation of portals (e.g. Yahoo!) and mass adoption of e-mail and instant messaging. The significance of domain names was soon diminished by the indexing of the World Wide Web, the science of which was enhanced by *Google* search. As bandwidth has expanded, the paradigms around software development and databases have constantly evolved to facilitate the explosion of web traffic. In addition, the way in which people use technology has changed with even the browser now taking on some of the functions of an operating system. A repeated pattern of techno morphing is evident.

The great distinction of this Internet age has been the emergence of **new business concepts** where the **commercialisation** of the product or application is often discovered en route with entrepreneurs taking a build-them-and-they-will-come approach. What has not changed, but intensified and accelerated, is the degree of **creative destruction**. *MySpace* was soon superseded by Facebook which itself was an Internet iteration of a former paper application at Harvard University.

Before you lose interest in this journey, think about the power that has now been placed in the hands of the consumer. The **smart phone** has all the computational power of a super computer of earlier years, but what is critical is that it is at one's fingertips virtually whatever one's location. Importantly, **each phone is uniquely identifiable on the Internet**, tantamount to a mobile INTERNET ADDRESS. (In the first year of its introduction, the iPhone sold 14 million of these Internet enabled devices. With the arrival of others, the price has dropped dramatically and it is estimated that at least 1.6 billion people will be thus connected at the end of this year.) It is the power of this device that **re-invigorated the creative zeal** of developers who are often in the unusual position of needing very little money to make their start.

Being always-on (constantly connected to the Internet) has completely **changed the commercial proposition** of the Internet. Apart from untethering one from the desktop, the reality of being able to **pin point the physical locational** of a user allows commerce to change from passive acceptance to **active pursuit**; one can now actively hunt-down business opportunities. An example of this is *PayPal's* new Beacon which allows a retailer to recognise a PayPal member as they enter the store (or pass by) and to transact with a phone swipe or verbal acknowledgement with no credit card in sight. The incumbent card franchises have themselves been evolving near field communications technology to speed up this process, but in this fast moving commercial battle, the challenger has discovered additional attractions for the retailer that may change what was hitherto regarded as an unassailable position of the card issuers.

Similarly, out of Asia are coming **potential challengers to existing social networks** (Facebook and Twitter) in the form of mobile messaging apps. At the outset they were simply designed to arbitrage the lower cost of data rates versus the cost of phone messaging. By interrogating users' contacts list, these services very quickly became viral. They have also evolved into commercial platforms where users are induced to buy stickers, of an animated variety; speech and movement, to attach to messages. Further monetisation occurs from selling skill enhancements to mobile gamers, or Twitter-like hosting of firms surfing the user-engagement wave. Names like *LINE, KakaoTalk* and *WeChat* have been signing up users by the millions per month and in the case of LINE, winning large user bases as far afield as Brazil, Chile and Argentina - apart from being dominant in Japan, Taiwan, Thailand and Indonesia.

The problem for investors is to **discern fad and fantasy from long-term winners**. Just when Google looked to be all conquering, there has been the rise of **on-phone applications** and so-called **verticals** that allow regular users to circumvent search and instead to click directly on the app of their chosen site. Sites like *Tripadvisor* for travellers, *Expedia* for booking flights, *Zillow* as the most viewed real estate and rental site in the US, *OpenTable* for restaurant bookings are really old fashioned portals that have established dominant mind share with large aggregations of users. Like the classified pages of old, they are where one goes for that particular speciality. They have often expanded globally by acquisition or fresh starts to gain access to unprecedented large addressable markets. Once established, these businesses have remarkable scale and are generally extraordinarily profitable with concomitant free cash flows. The stakes are enormous which can induce highly promotional behaviour and careless use of funds at that time when the concept seems to have established a toe hold in this precipitous climb to dominance.

The most favoured **monetisation** approach has hitherto been the sale of **advertising** space alongside the offer. Quite recently investors were concerned about the loss of revenue because of the migration to small mobile screens from desktops. Revenues from cost per click (CPC) or cost per thousand impressions (CPM) are lower on mobile devices, but with the advent of tablets and the rise of users' enthusiasm for transacting on smart phones, this concern has dissipated; Google has even re-priced their offer on a blended basis. In addition, the ability to **identify a user's physical location** has given rise to new applications and therefore new revenue sources.

There is constant **experimentation with monetisation**. Partnerships have been formed between user-originated content providers like *Urbanspoon* and booking services like *OpenTable* to share revenues from traffic originated. Strong positions are held by *Apple* and *Google* who offer the payment service element for on-line transactions. These **app stores** currently take a 30% clip from each transaction, which of course is attracting fresh interest from vendors and payment services like *PayPal*. Group buying sites like *Groupon* take an even more aggressive cut, but seemingly manage this because of the intensive nature of signing up a myriad of small local merchants who are prepared to deeply discount their product to attract new customers or to balance their offering seasonally. **Subscription** is an alternative model and music streaming services like *Pandora* offers users the choice of a fee or interspersed adverts.

This revolution will be accompanied by great uncertainty, opportunity on a global scale and of course, significant risk, both commercial and substitutional. There are already several on-line areas that are witnessing a **convergence of offers** with participants each looking to imbed the attractive features developed by adjacent competitors in an attempt to create a lock on the customer. The web is highly disruptive by nature with **retailing** having felt the first cold blasts of **price transparency**. This may now be taken to a new level with the UK on-line grocer *Ocado* having mastered an industrial scale pick-and-deliver model which may threaten the price umbrellas that the consumer brands have for so long prospered under. **Delivery services** in general have huge implications for logistics and the changing use of property which is too complex to examine properly here.

It is still early days with e-commerce still accounting for only an estimated 7% of retail sales. Even in advertising there is still a large mismatch between time spent on-line and its share of the advertising pie. It has already taken its toll on traditional print media, but the rise of the likes of YouTube has still to be fully felt by traditional TV.

The **professions** remain the last bastion of the old way, but the great power on the Internet is already encroaching on the institutions of higher learning with experiments of algorithmic marking already being undertaken. Will lecture theatres change in function and become collaborative workplaces for students who have 'studied' at home?

We are spending a lot of time trying to track down the more interesting companies that will win in this highly competitive frenzy. Apart from the opportunities on offer, it also allows us to understand the vulnerabilities of the traditional players. **To mitigate risk**, we have a relatively large range of plays, with large exposures only to those entities which span several elements of the game. The Fund's exposure to the e-commerce element of this opportunity is around 11% (Google, eBay, Sina, Naver, Baidu, Youku Tudou, Zillow) while a further 11% is invested in the 'pipework' (Cisco, Ciena, Ericsson, Samsung, Intel and Microsoft).

Outlook

The markets have been unusually resilient to bad news. As noted earlier the risk-on trade has been evident in blue sky areas like e-commerce and biotech, and in recent weeks this hunger for open-ended opportunities has been met with a growing queue of placements and listings. It would be no surprise for the markets to have some retracement, but the general improving economic tone and still massive printing of money suggests that a retreat in prices should be used as a buying opportunity. At present we have no shortage of potential buys.

Platinum Unhedged Fund

Jacob Mitchell Portfolio Manager

Disposition of Assets

REGION	SEP 2013	JUN 2013
North America	30%	34%
Japan	21%	26%
Europe	21%	23%
Asia	17%	11%
South America	2%	0%
Australia	2%	1%
Africa	1%	1%
Cash	6%	4%

Source: Platinum

Portfolio Position

Changes in the quarterly portfolio composition:

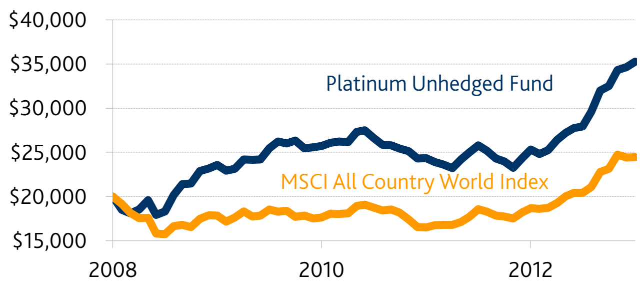
Sector Breakdown

SECTOR	SEP 2013	JUN 2013
Consumer Globalisation (brands, retail etc)	12%	17%
Technology (software & components)	11%	14%
Mobile Internet Services	10%	5%
Healthcare	9%	11%
Mobile Internet Enablers	8%	11%
Emerging World Consumer	8%	5%
Emergine World Financials	7%	4%
Japanese Revitalisation	5%	6%
Alternative Energy	5%	2%
US Capital Spending Renaissance	5%	5%
Gold	5%	4%
Western Financials	5%	8%
Energy and Materials	4%	4%
Gross Long	94%	96%

Source: Platinum

Value of $20,000 Invested Over Five Years

30 September 2008 to 30 September 2013



Source: Platinum and MSCI. Refer to Note 2, page 36.

We took the opportunity during the quarter to break-out "Alternative Energy" as recent additions make this more meaningful and for similar reasons we also split "Internet Ubiquity" into "Mobile Internet Enablers" and "Services" and separated "Financials" out from "Emerging World Consumer"; hopefully this adds to investors overall understanding of the portfolio's position.

Some of the major investment themes expressed in the Fund, include:

- Post-patent cliff pharmaceuticals and personalised medicine.
- Consumer globalisation – Western brands, retailers and service providers positioned for global growth.
- Explosive growth in mobile data based services and consumption in both the developed and emerging world.
- Emerging world home grown consumer brands/retailers and recovering property related companies in India and Brazil.
- Japanese revitalization driven by a broad consensus on the need for change.
- Capital equipment suppliers to the solar cell industry, a secular growth industry undergoing a cyclical recovery.
- US capital spending renaissance driven by a globally competitive supply of natural gas.
- Gold - a hedge against a self-reinforcing cycle of competitive Quantitative Easing (QE) from the three large developed world currency blocks (US, EU and Japan) where the narrative morphs from necessary monetary easing to government debt monetisation and competitive exchange rate devaluation.

Performance

(compound pa, to 30 September 2013)

	QUARTER	1 YR	3 YRS	5 YRS	SINCE INCEPTION
Platinum Unhedged Fund	8%	39%	11%	12%	11%
MSCI AC World Index	6%	31%	12%	4%	4%

Source: Platinum and MSCI. Refer to Note 1, page 36.

The Fund's recent performance was driven broadly with the areas of disappointment limited to technology stocks, though our energy and Japanese revitalisation stocks also lagged. The stand out contributors to performance included solar industry equipment suppliers (Meyer Burger +64%) and Chinese Internet stocks (e.g. Baidu +64% and Sina +45%).

Regular readers know that we mistimed our entry to the solar stocks in the second half of 2011. We under-estimated the time for excess capacity to clear and didn't anticipate the outbreak of trade conflict between China and the US/Europe that resulted in steep anti-dumping duties for Chinese producers. We continued our work as the industry downturn worsened and investors who attended the 2012 Platinum Investor Forum's may recall that a key part of our investment case was the simple observation that in a growing number of regions, starting with those with plentiful sunlight and expensive electricity, solar power was cost competitive with grid power. To the surprise of the industry naysayers, this improving competitiveness is resulting in 25-35% demand growth in 2013 to 35-40 GW despite a sharp contraction in Germany and Italy as subsidies were reduced. Whereas historically the industry was typically anchored by European demand, there is now a far healthier balance of Asia, Europe and the Americas as demand outside of Western Europe grew 90% in 2013. In fact, in some parts of the supply chain, capacity utilisation is reaching levels that justify capacity expansion. The industry downturn was so deep that the surviving capital equipment suppliers such as Meyer Burger now face fewer competitors and are well-placed to capitalise on the current upswing. The good news is that early in the quarter we decided to increase our exposure and this, followed by a solid rebound in the stocks, has resulted in a much larger weighting.

Changes to the Portfolio

In addition to adding to our solar stocks we also increased our weighting in Internet stocks generally (adding Baidu and eBay, see the current Platinum International Fund quarterly report). The Chinese Internet's have experienced a stunning reversal in sentiment as only six months ago the discussion was dominated by the delisting threat posed by US regulators over access to audit working papers rather than operating performances which continued to impress (Baidu posting 39% revenue growth). Further, the impending listing of Alibaba (China's largest e-auction and e-mall operator) has further focused investor minds on the potential for industry consolidation around three major conglomerates which all have one large area of dominance to Fund diversification: Baidu (search, recently acquired mobile app store 91 Wireless), Tencent (gaming and social networking, acquired a strategic interest in third ranking search engine Sogou) and Alibaba (e-commerce, acquired strategic interest in Sina's Weibo Twitter-like service). Some might suggest that such rampart corporate activity as indicative of irrational exuberance, however, given the relative immaturity of the Internet advertising market[1] and e-commerce markets, we still see plenty of run-way for growth and valuations generally still make sense.

Following a thorough examination of the stock specific and the macro factors at play, we built a large position in Intesa Sanpaolo SpA, Italy's largest bank with 20% market share. Simplistically, the company expanded credit more slowly than the system, is well-provisioned and capitalised, and is not without growth options. Popolari banks account for 30% of system assets and are generally in weak positions as co-operative member shareholding structures (i.e. one man, one vote) have resulted in lending based on self-interest or political ideology and by necessity dependence on State/ECB assistance (first Italian government injections and then the ECB's long-term refinancing operation). Further, the Bank of Italy has become increasingly vocal regarding the need for Popolari reform, using the threat of early repayment of aid, amongst other things, to motivate these banks to shrink their way back to health; conversely Intesa and the other two large private sector banks stand to win an increasing share of new lending.

Now the Italian macro could hardly be described as attractive with unemployment of 12%, up from 8% prior to mid-2011 and 6% in 2009 and private credit contracting at a rate of 2%. However, in terms of signs of healing the current account has returned to surplus and the government is also running a primary surplus. Whilst historically Italy's politicians have shown little interest in governance, even on this front, the recent actions of Berlusconi's own party rejecting his move to topple the minority government would seem to imply some belated realisation of the need for improved standards.

As we noted last quarter, the retrenchment in emerging markets was starting to present opportunities for the Fund and based on some timely recommendations from the team, we were able to take advantage of distress type valuations to add exposure in three areas: financials (e.g. PICC and KB Financial), Indian infrastructure related stocks (see Platinum Asia Fund quarterly report) and Brazilian home builders (e.g. PDG Realty).

The share prices of PDG Realty and peers have typically fallen some 80% over the past three years, victims of an almost inevitable bust that followed a wild land-grab initiated by the industry's first time access to capital in a country with significant pent-up housing demand. However, the bust has more to do with a loss of operational control than significant over-supply of housing and price declines. The decision to buy into the company at some 50% discount to book value was based on two major assessments:

- New management (1Q 2012) were executing on a credible plan to right-size the business, shrinking the number of projects under construction by reducing activity in regional and hyper competitive low-cost markets to increase focus on the key home mid-market in Rio and Sao Paulo.
- An industry-wide reduction in supply; for example, in 2011 PDG Realty launched 40k units and by 2012 this had fallen to 6k.

We think all going to plan, PDG Realty is capable of lifting its sustainable return on capital to some 10%, which, whilst hardly stellar, would be equivalent to earnings per share of some R66 and a very low three times multiple of our entry

[1] Internet advertising represents only 18% of total advertising spend (ZenithOptimedia), but time spent on the Internet represents 57% of media consumption (www.eMarketer.com).

level share price. The key risk to our turnaround scenario would be higher rates that crimp housing demand, but with total mortgage debt to GDP of only 6%, we think this risk is manageable.

We funded these purchases by selling stocks that had reached valuation targets including Bank of America (at nine times underlying earnings versus six times for Intesa Sanpaolo SpA), TNT (combination of a solid rebound in the share price and a view that the secular challenges TNT faces are worsening) and following solid performance, a reduction in the size of our holdings in Cisco and Vodafone (having received an attractive offer from Verizon Communications for its half share of Verizon Wireless). We also consolidated our Japanese portfolio down to fewer names by removing a tail of smaller positions.

Commentary and Outlook

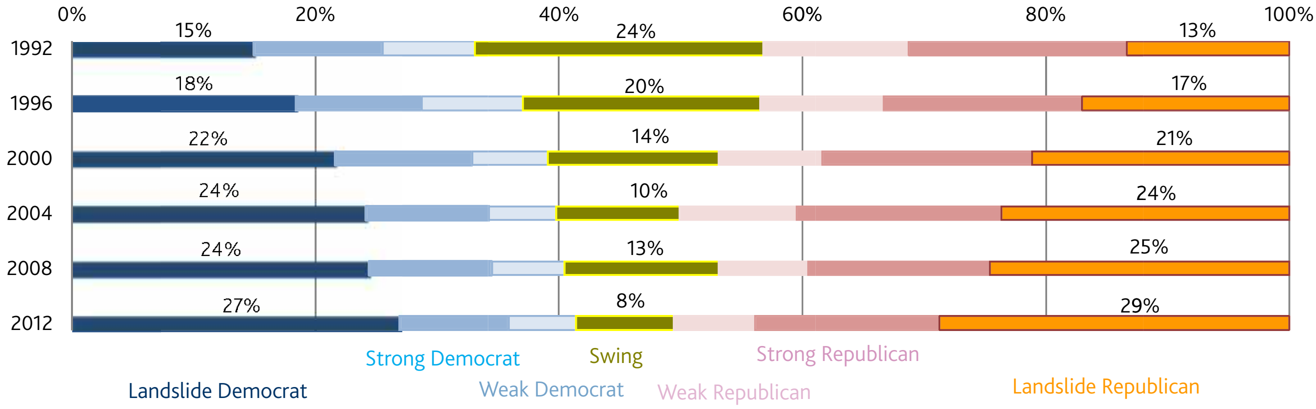
In terms of news-flow, the decision for the second and third largest global semi-conductor production equipment (SPE) companies, Applied Materials (AMAT) and Tokyo Electron (TEL, one of the Fund's smaller holdings), to merge provides more evidence of Japan's reawakening. The consolidation within both companies customer bases where Intel, Samsung and TSMC now represent over 60% of industry orders, underpins the industrial logic for the merger. However, as the manufacturer of some of the most complex industrial equipment ever designed and one of the crown jewels of Japanese manufacturing, to accept the role of junior partner in this merger represents a significant loss of face for TEL management (but a necessary step for shareholder value creation).

The tapering discussion kept emerging markets under pressure for most of the quarter, especially those with current account deficits, on fear of a rise in the cost of US dollar funding. The generic headlines around this issue implied that these countries were vulnerable to a 1998 style currency crisis misled to the extent that many still have foreign exchange reserves as they have only recently started to run deficits and have limited exposure to foreign currency denominated debt. However, there is a growing inflation problem in countries like India and Indonesia, and, hence real potential for tighter monetary policy to continue beyond the current relief rally.

As we finalise the quarterly report, markets have once again entered a macro-driven risk-off phase as the US debt ceiling looms large. In contrast with the Westminster System, the US doesn't have a mechanism to guarantee the resolution of a budget impasse when the government of the day does not control the Congress. The only observation we would make is that whilst the principal of mutual assured destruction would imply that the Democrats and Republicans reach a deal that avoids a US sovereign default, the make-up of the Congress has never been more polarised. US statistician-come-political-commentator Nate Silver, has performed some interesting historical analysis comparing the presidential vote in each congressional district to the national outcome (see chart below). For instance in 1992, 24% of the House of Representatives membership were elected from what might be called "swing" districts: those in which the presidential vote outcome (either for or against) was within 5% of the national result versus only 8% of such districts in the 2012 election. Conversely, the number of landslide districts (either for or against) — those in which the presidential vote outcome deviated by at least 20% from the national result — has roughly doubled to 56% of the total (of these, 27% were Democrats (given a Democractic President was elected, they obviously voted in favour) and 29% were Republicans (obviously against).

So if you're trying to make sense of the US Federal Government shut-down and debt ceiling negotiations, keep in mind that most members of the US House of Representatives now come from hyper-partisan districts where they face little threat of losing their seat to the other party, hence, increasingly there is little incentive for members on either side of politics to seek compromise. Notwithstanding, an eleventh hour deal is likely, the pattern of taking this down to the wire with such regularity represents a headwind for longer-term confidence building.

Composition of US House of Representatives



Source: Nate Silver, FiveThirtyEight, http://fivethirtyeight.blogs.nytimes.com/2012/12/27/as-swing-districts-dwindle-can-a-divided-house-stand/?_r=0

Platinum Asia Fund

Andrew Clifford Portfolio Manager

Joseph Lai Co-Portfolio Manager

Performance

(compound pa, to 30 September 2013)

	QUARTER	1 YR	3 YRS	5 YRS	SINCE INCEPTION
Platinum Asia Fund	4%	24%	3%	9%	16%
MSCI AC Asia ex Jp Index	4%	17%	4%	7%	10%

Source: Platinum and MSCI. Refer to Note 1, page 36.

Asian stock markets had a better quarter, with the MSCI Asia ex Japan Index rising 5.4%. As a result of a small appreciation of the Australian dollar over the period, returns to Australian investors from regional markets were reduced to 3.5%. The Fund's performance at 4.1% was slightly ahead of the market. Leading the way were the Chinese markets (A shares +9.5%, H shares +10.8%), Hong Kong (+9.8%) and Korea (+7.2%), as it became apparent that monetary conditions in China were easing and economic data began to show signs of improvement. Holding back returns were the performance of India (-1.8%) where inflation concerns lead to a surprise rate hike by the Reserve Bank of India, and the ASEAN markets of Indonesia (-10.4%), Thailand (-4.7%), and the Philippines (-4.2%), which sold-off as a result of concerns that the

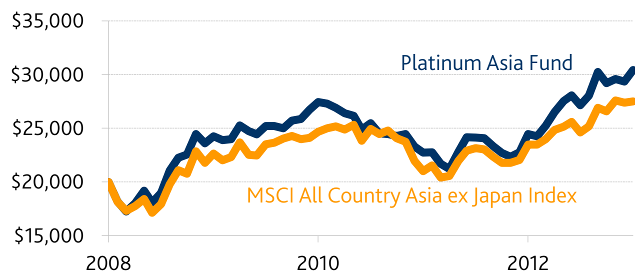
Disposition of Assets

REGION	SEP 2013	JUN 2013
China (Listed Ex PRC)	24%	21%
China (Listed PRC)	7%	7%
Taiwan	2%	4%
Hong Kong	2%	2%
Greater China total	**35%**	**34%**
Korea	19%	16%
India	11%	10%
Thailand	10%	11%
Philippines	8%	8%
Singapore	5%	5%
Malaysia	5%	5%
Vietnam	2%	2%
Indonesia	1%	1%
Canada	1%	1%
Cash	3%	7%
Shorts	0%	0%

Source: Platinum

Value of $20,000 Invested Over Five Years

30 September 2008 to 30 September 2013



Source: Platinum and MSCI. Refer to Note 2, page 36.

tapering of Quantitative Easing (QE) by the US Fed would reduce the previously strong capital flows into these economies.

The largest contributors to performance have been the Fund's Chinese holdings, in particular the Chinese Internet companies, Baidu (search engine, +64%), Sina (China's Twitter, +45%) and Youku (video streaming, +43%). The key to the turnaround in the performance of these holdings has been the growing realisation that the proliferation of mobile devices connected to the Internet is much more of an opportunity than the threat many thought it to be several months back. Other strong performers include Trina Solar (+159%), a Chinese manufacturer of photovoltaic solar panels, as the global solar industry showed signs of turning around. On the other side of the ledger, the most significant drag on Fund performance was the Fund's Indian investments. In particular, most of our Indian positions are quite sensitive to interest rates due to either the nature of their business (financials and property developers) or the level of financial gearing and as a result performed poorly due to the upward move in interest rates. Amongst the biggest detractors from performance were ICICI (bank, -17%), IDFC (non-bank financial, -31%), and Jaiprakash Associates (infrastructure projects and property, -35%).

Changes to the Portfolio

A number of new holdings were added to the portfolio during the quarter including Naver (Korea) and Tencent Holdings (China). Naver is the dominant Internet search engine in Korea with a market share of over 70%. This in itself is an interesting enough business, but its new messaging application called "*LINE*" is the key to our investment case. Messaging apps have evolved in the smart phone world as a way of bypassing telco charges for SMS. Providing your recipients have the application on their phone you can send them a text message using the data connection. The functionality of "messaging apps" has been extended to leaving voice messages, playing games with your network of contacts and now e-commerce and payment services. In the two years since LINE's launch, it has gathered over 250 million users and is the leading messaging app in Japan, Thailand and Taiwan. What's more, the business is already generating revenues of US$100 million a quarter. Tencent Holdings whose main business has been in PC on-line games supported by its messaging platform in China, operates the leading messaging app on the mobile phones with over 300 million users domestically and is gaining rapid acceptance abroad.

Elsewhere, we took advantage of the weakness in the Indian market to add a number of new holdings, as well as adding to existing positions. New holdings include Sobha Developers, a Bangalore property developer and Bharti Airtel, the leading mobile phone operator in the country. We also acquired an initial position in Tata Motors who besides having a leading position in commercial vehicles in India, also owns Jaguar Land Rover which is finding great success globally, particularly in China. We also added to positions in our financial stocks, ICICI and IDFC. These purchases were funded from cash as well as the sale of a number of positions including Taiwan Semiconductor which had reached levels in line with our assessment of fair value. During the quarter the net invested position of the portfolio increased from 93% to 97%.

Commentary

The Asian stock markets continue to be washed around month-to-month by various macroeconomic issues as they have been for much of the post-GFC period. Markets have moved from worrying about slowing investment in China, to spiking Shanghai interbank interest rates, onto the impact of a possible tapering of the US Federal Reserve's QE. In India, there has been renewed concern around the current account deficit which has seen downward pressure on the Rupee. At the time of writing, markets are pondering the potential impact of the shutdown of the US Government that has resulted from the refusal of Congress to pass the budget.

While one cannot dismiss these concerns entirely and indeed they are indicative of the problems that will likely plague the global economy for some years to come, to pay too much attention to these issues risks missing key trends that continue unabated. In the last six months, 100 million Chinese and 15 million Indians have purchased a 3G mobile phone, adding them to a growing population of individuals connected to the Internet. In China, it is estimated that over 900 million individuals have access to a broadband connection today, up from less than 300 million at the end of 2008, with one quarter of current connections occurring via a 3G mobile device.

These connections provide for access to information and government services, the ability to procure goods and to pay for them, and to opportunities for an education that in many cases would not have previously been available. In China the proliferation of Internet connectivity has created a boom in e-commerce that has seen as much as 6% of retail sales now occurring over the net from almost nothing four years ago. Not surprisingly there are significant investments being made today around logistics required to support e-commerce. In India, the government's project to provide every Indian with a unique ID via biometrics (Aadhaar scheme) continues to roll out at a rapid pace with over 400 million people now in the database. One can worry about the state of the Indian budget as it stands, but the Aadhaar scheme can potentially save the government significant funds by ensuring that the various food, fuel, and other subsidies, find their way to the intended recipients. While these developments may or may not drive entire economies, they are clearly providing interesting investment opportunities at the individual stock level.

Elsewhere, the maiden speech of the new governor of the Reserve Bank of India, Ragurham Rajan, foreshadowed a number of reforms that if put in place could potentially help break the country's current malaise. Issues that were discussed included the need for the country to attract greater capital inflows, pointing towards a relaxation of India's capital account controls. The governor highlighted the need to deregulate the financial system to allow for the expansion of bank branch networks, ATM and point of sale networks, and electronic payment systems and wallets. Other issues highlighted were the potential of the Aadhaar ID system to be the basis of a personal credit database that would allow a significant expansion in the availability of finance to individuals. He reiterated the rather old-fashioned idea that a key responsibility of the Central Bank was to maintain the value of the currency by minimising inflation, a statement that he followed through on later via an unexpected interest rate hike! All this makes sense to us, though as we have seen before in India it is often difficult to get past entrenched interests. It is therefore probably sensible to temper ones expectations for such things to happen quickly. However, with elections early next year likely to see a change of government, there is the tantalising prospect that many of the roadblocks to India's ongoing development may start to be removed.

Outlook

As we have noted in past quarterlies our expectation of future returns is primarily a function of the valuation of our holdings. While some of the Fund's positions have appreciated significantly in recent months, we are still of the view the portfolio represents good value.

Indeed, where we have reduced or sold out of positions that have approached full value, it has been encouraging that we have been able to identify new holdings that are attractively priced to take their place. The near fully invested position of the portfolio is the strongest statement we can make about our expectations for medium to long-term returns. The note of caution remains as always; as many of the world's major economies remain heavily indebted, the potential for new crises to arise and for markets to take a step back in the short-term is ever present.

Platinum European Fund

Clay Smolinski Portfolio Manager

Disposition of Assets

REGION	SEP 2013	JUN 2013
Germany	33%	37%
UK	22%	22%
France	12%	12%
Italy	6%	3%
Spain	3%	3%
Switzerland	2%	0%
Netherlands	2%	4%
Sweden	2%	2%
Russia	2%	2%
US *	2%	2%
Turkey	1%	0%
Belgium	1%	1%
Cash	12%	12%
Shorts	5%	7%

* Pulp stock listed in the US but predominant business is conducted in Europe

Source: Platinum

Performance and Changes to the Portfolio

(compound pa, to 30 September 2013)

	QUARTER	1 YR	3 YRS	5 YRS	SINCE INCEPTION
Platinum European Fund	9%	38%	15%	12%	12%
MSCI AC Europe Index	11%	37%	10%	2%	1%

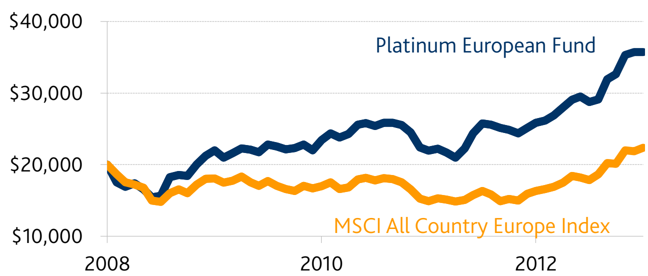
Source: Platinum and MSCI. Refer to Note 1, page 36.

Over the past quarter, growing evidence of a broad economic recovery across Europe continues to fuel investor appetite for European stocks. The Euro denominated markets appreciated strongly, the standouts being Spain and Italy, which were up 19% and 13% respectively, followed by France (+9%) and Germany (+7.5%).

In Australian dollar terms, the Fund appreciated 9.4% versus 11% for the MSCI Europe Index. The underperformance versus the Index is largely down to our short positions (-0.7%) and currency (-0.9%), with our long equity positions returning 11%.

Value of $20,000 Invested Over Five Years

30 September 2008 to 30 September 2013



Source: Platinum and MSCI. Refer to Note 2, page 36.

Last quarter we highlighted that we were spending some time researching ideas in Italy and Russia, and as a result we significantly added to our holdings in **Intesa Sanpaolo SpA** (banking), **Saipem** (oil services) and **Sberbank of Russia**. Elsewhere we took the opportunity created by the sharp panic sell-off in emerging market currencies (in particular the Indian rupee, Brazilian real and Turkish lira) to establish a new position in **Turkcell** (leading Turkish mobile phone network), along with upping our stake in **Casino** (whose major assets include Brazilian retail giant CBD).

Commentary

Members of the team recently returned from a European research trip. The trip included several days meeting financial services companies in London, however, the highlight was the five days we spent in Russia, meeting a wide range of Russian companies.

Russia is an interesting "emerging market" to us given the aversion many have to investing there. The market valuation trades at a "risk discount", unlike say Indonesia, Thailand and the Philippines where valuations trade at a "growth premium". The reasons for investor distrust are well-known, illustrated by previous ill-treatment of foreign shareholders (Shell's Sakhalin project, TNK-BP) and the historic popularity of related party transactions amongst Russia's listed firms, where assets are often bought from controlling shareholders in opaque deals.

However, there are a number of positive aspects to the Russian investment case that get far less air time. The most important of these are post admittance to the World Trade Organisation, there is growing evidence the government is making a concerted effort to incentivise local investment and reduce the influence of the state in business. Examples of this can be seen in generous tax incentives for investment in priority industries (healthcare and high value added manufacturing) along with additional funding and autonomy provided to the regions who are most active in improving the ease of doing business (Kazan and Yekaterinburg were oft highlighted as the most dynamic in this regard).

The effectiveness of these measures are generally confirmed by the experiences of our Western European companies in the region – the message is that business practises are improving and they are willing to invest more capital. The above, combined with a highly educated population and wage rates that are now competitive with large swathes of the Chinese labour force, warrants a closer look at Russia.

The majority of companies we visited were involved in consumer facing industries, along with some financials and transport infrastructure. The Russian consumer sector has been front of mind for investors given its massive growth over the past decade. According to federal statistics compiled by Merrill Lynch, in 2005 only 1.4 million Russians were earning over US$1,000 per month, whilst close to 40 million earn that figure today. If you factor in that a large percentage of this income is disposable (income tax is 13%, utilities are heavily subsidised and most households own their own home and have little debt), it is not surprising that many of the retailers and auto companies have seen their profits quadruple over the same timeframe.

This wealth effect is now broadening out to a range of other industries, an example being private medical care. In Moscow, the medical fee to deliver a child in a state run hospital is US$400, however, one can be assured the quality of hospital infrastructure and service matches the low price! A better quality service (but still not up to western standards) could be obtained in the private wing of a state run hospital for a fee of US$5,000, but in reality local options for those seeking high quality medical care were limited. The maternity hospital operator we visited is a good example of private enterprise stepping in to fill the need, offering world class hospital facilities, an ability to choose your obstetrician and full outpatient care throughout the pregnancy process. Whilst the fee is considerably higher at US$10,000 per delivery, the utilisation rate at their main Moscow hospital is running at close to 100%! Their second facility in the Moscow suburbs has just been opened, with a third underway in the regional city of Ufa.

The need for infrastructure renewal is a constant theme in Russia. Logistics were consistently highlighted in meetings as a particular challenge, as vast distances, harsh weather and poor quality transport links combine to create havoc. To their credit the government is trying to rectify this; annual spending on transport infrastructure has doubled since 2006 and a separate organisation, Avtodor, has been set-up, which funded by increased vehicle and petrol taxes will look to co-invest with the private sector in toll road concessions. The leading listed road and bridge builder **Mostotrest** looks well-placed to benefit, both from the construction, but also the possibility to participate in toll road concessions. They have entered one toll road project as a test case in partnership with French concession experts Vinci. If the government keeps to their end of the bargain around upholding contractual rights on tolls and reimbursements, they will look to enter more.

Another obvious area of potential investment is in the residential housing stock, as people seek to upgrade their spartan 1960s soviet-era apartments. Discussions with the banks and builders tended to confirm that the impediment to more residential construction activity remains the cost of financing, rather than the ability to get a mortgage, with mortgage debt costing between 13-15% depending whether you are financing pre-built or off the plan units. The use of mortgage debt is still very low in Russia and a mere 15% of homes sold by major home builder **Etalon** were financed by a mortgage in 2012, while mortgages account for only 10% of the loan book at banking giant **Sberbank** (for context home mortgages account for 60% of the Australian banks loan books).

A further quirk in the financial landscape is the lingering distrust in banks, especially from the generation who saw their wealth wiped out in the 1991 and 1998 crises. This has resulted in a tendency of people to hold a large percentage of their savings in physical cash, a lack of direct debit functionality to pay recurring bills, and a general reluctance to pre-pay expenses (i.e. Russians would rather make frequent small mobile phone top-ups of a few dollars, rather than say one top up of $15-20). In response, the Russian electronic payments industry has had to adapt early and we are interested in one local payments company whose innovations have put them in good stead for the future shift to mobile payments.

Outlook

Our impressions of Russia were generally quite positive and we have a number of worthy ideas to pursue. The pace of which these ideas will translate into new holdings for the Fund will be tempered by the need for us to continue to build our knowledge base around the Russian market and of course, the individual valuations of the stocks on offer.

More broadly in Europe, evidence of economic improvement continues and stocks have done well as investors buy in advance of an expected earnings recovery. As highlighted in the last quarterly report, the main focus is to continue to rotate the Fund out of investments where valuations have become full and into more prospective areas of neglect.

Platinum Japan Fund

Jacob Mitchell Portfolio Manager

Disposition of Assets *

REGION	SEP 2013	JUN 2013
Japan	91%	90%
Korea	8%	5%
Cash	1%	5%
Shorts	14%	11%

The Fund also has a 12% short position in Japanese Government Bonds.

* The invested position represents the exposure of physical holdings and long stock derivatives.

Source: Platinum

Portfolio Position

Changes in the quarterly long portfolio composition:

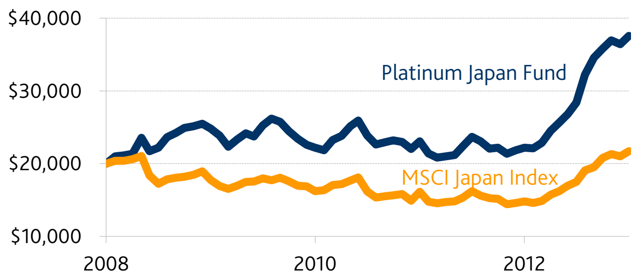
Sector Breakdown

SECTOR	SEP 2013	JUN 2013
DOMESTIC	58%	49%
Financials	15%	16%
Consumer and Retail	15%	14%
Services	11%	5%
Healthcare	8%	4%
Telco and Utilities	5%	6%
Property and Construction	4%	4%
EXPORT	41%	46%
Tech/Capital Equipment	24%	22%
Durables	13%	16%
Commodities	4%	8%
Gross Long	99%	95%

Source: Platinum

Value of $20,000 Invested Over Five Years

30 September 2008 to 30 September 2013



Source: Platinum and MSCI. Refer to Note 2, page 36.

Performance

(compound pa, to 30 September 2013)

	QUARTER	1 YR	3 YRS	5 YRS	SINCE INCEPTION
Platinum Japan Fund	5%	69%	19%	13%	14%
MSCI Japan Index	4%	46%	10%	2%	0%

Source: Platinum and MSCI. Refer to Note 1, page 36.

June's extreme market volatility subsided and over the quarter market drivers transitioned away from macro factors to the stock specific. In keeping with this, there was little to link our individual contributors of stocks such as Topcon +52%, Sumitomo Electric +21% and Cyberagent +45% or detractors such as Yamada Denki -28%.

Changes to the Portfolio

Longs

We took advantage of the general rebound to exit our large holding in life insurance company T&D Holdings. From our original purchase in early 2010, the case had weakened as management actively increased the duration of the fixed income portfolio at a time of record low yields (high valuations) and reduced exposure to Japanese equities at a time of record low valuations; whilst management believe this will reduce their regulatory capital requirements, the timing was questionable.

Our recent trip to Japan focused on a number of prospective areas:

- Emergent industrials with leading global positions.
- Corporate revitalisation, industry reorganisation and potential merger and acquisition targets.
- Potential policy change beneficiaries (e.g. industry deregulation, labour market reform, tax reform, new business incubation incentives).
- Internet 2.0 and service sector growth opportunities.
- Emergent energy management opportunities (smart cities/grids, smart buildings).

Almost all of the new holdings added during the quarter represent investment opportunities relating to one of the above areas. Many are mid-capitalisation stocks, an area of the market that still offers, in certain cases, extreme undervaluation, and whilst historically this value has been difficult to unlock, there are tentative signs of change. We are still accumulating holdings in many of these stocks.

We also added to our holdings in Panasonic and NTT as conviction levels improved. Our initial rationale for buying Panasonic was based on the work already completed to right-size the workforce (roughly 25% reduction over the prior three years) and a commitment to shrink the business down to the few remaining areas of relevance – that is appliances, auto-components and Japanese housing related components. Following the end of year results, we took heart from the company's new-found cash management ability with a $3 billion or 33% reduction in net debt achieved in the final quarter – this significantly reduced the financial risk profile of our investment.

After two years of South Korean stock market underperformance relative to Japan and an almost 180% reversal in sentiment (i.e. Japan warming up on Quantitative Easing (QE) and Korea deemed vulnerable to emerging market growth downgrades), we added to our KB Financial holding and acquired Naver (see the current Platinum Asia Fund quarterly report). Similar to Japan, we think Korea is ripe for a rebound in residential investment and KB Financial represents a high quality and extremely cheap beneficiary of such a trend.

Shorts

We covered all of our China related shorts as negativity on the growth outlook became universally accepted and towards the end of the quarter increased our Nikkei Index short as a basic hedge for the portfolio.

Currency

Our buying of Korean stocks has resulted in a moderately higher Korean won weighting at the expense of the US dollar; otherwise our currency positioning remains relatively unchanged.

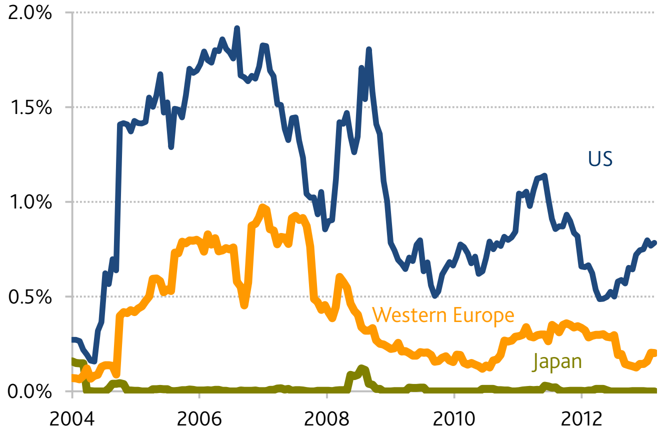
Commentary and Outlook

As expected, the Liberal Democratic Party-New Komeito coalition won the Upper House election in a landslide and more recently, the endlessly discussed increase in the consumption tax from 5% to 8% was finally confirmed for April next year. We have received inquiries from investors as to whether Japan is really changing and what is the real nature of "Abenomics"? Whilst it is the right time to be asking this question, it remains difficult to answer as the substance around the "Third Arrow" is largely yet to be revealed. Regular readers will appreciate our interpretation of Japan's "structural" issue as a basic lack of respect for shareholders. We have more broadly discussed this as a corporate culture of insularity, inflexibility and consensus that is inconsistent with a globalised meritocracy. The absence of creative destruction has cost Japan dearly from marginalisation in consumer electronics and entertainment (e.g. Sony, Sharp and Nintendo) to the stifling service sector growth (staffing, aged care, tourism and real estate services are some obvious examples).

In case you think we are exaggerating this, please consider the following facts:

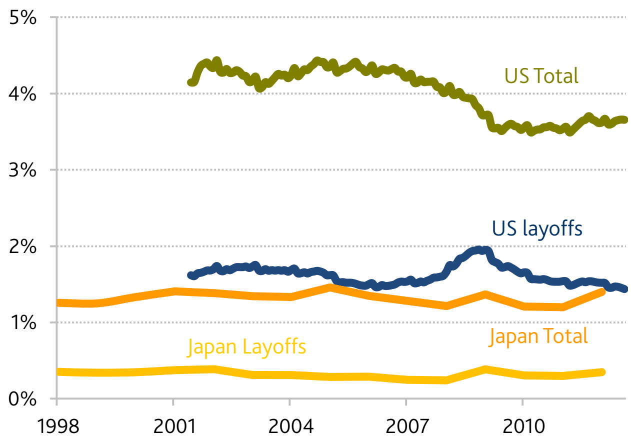
- Extremely low levels of domestic merger and acquisition activity. For example in a typical year less than 0.05% of Japanese market capitalisation is subject to a takeover or merger proposal compared to over 10 times and 5 times that level in the US and Europe respectively (see first chart); Japan is also found wanting in comparisons of new business establishment rates.
- Low levels of full-time employee turnover as the job for life mentality permeates – in a typical year 1.4% of the fulltime workforce is subject to either voluntary or involuntary redundancy compared to 3.7% in the US (see second chart).
- Turnover in the residential real estate secondary market is almost non-existent – in a typical year less than 0.3% of the stock changes hands versus 4-5% in the US and 2-3% in Australia.
- Tourism arrivals are pitifully low: Japan 66 per thousand people versus US 191, Canada 516, UK 495 and Germany at 302[1].

Regional M&A (12mth trailing sum to current mkt cap)



Source: Factset

Full Time Employee Turnover (12mth)



Source: US Bureau of Labour Statistics, Japan MHLW, Employment Trend Survey

As the true nature of "Abenomics Third Arrow" is slowly revealed, our critique for individual polices is simple: will this lead to a more flexible, accountable Japanese corporate culture, one that celebrates return on investment as the fuel necessary to drive innovation? Specifically, policies that make it easier for corporates to shed excess labour, build scale in their domestic market and generally lead to less, rather than more regulation.

[1] World Tourism Organisation, Yearbook of Tourism Statistics, Compendium of Tourism Statistics and data files.

But don't get us wrong, no major socio-economic system is perfect. The reason we engage with Japan is that it remains an advanced economy comprising enterprises, that when operating at their best, are capable of producing world beating products and services and in spite of Japan's structural issues, trend productivity growth is very similar to Europe and the US. Hence, the above data points reinforce our view that if we reach a tipping point where change accelerates, the emergence of new companies tapping into growth in the service sector or the revitalisation of existing franchises that are simply under-managed, throws-up significant opportunities for all investors. Opportunities that don't necessarily exist elsewhere in the developed world where the dogma of "shareholder value" was accepted decades ago.

By the same token, rapid change presents attendant risks for those companies with little real position – their marginalisation will accelerate as open competition is embraced. The beginning of a bankruptcy cycle combined with an aggressive merger and acquisition cycle where Japanese companies turn on each other rather than always buying offshore would be a sign that creative destruction had finally returned to Japan.

Without reform there is a real risk that the Bank of Japan's (BOJ) massive monetary easing will result in a liquidity driven property market recovery without any real improvement in the long-term productive potential of the economy. Further, many long-term investors, including ourselves, still struggle with the idea that Japanese politicians and bureaucrats could enact policies that would ultimately reduce their influence over the economy. However, we are keeping an open mind as valuations are still cheap and many may be underestimating the political capital the ruling coalition has tied up in the revitalisation process. Further, based on his recent US speeches, Prime Minister Shinzo Abe's recent pronouncements have been far from timid:

- *The traditional and inflexible large corporations might need to be roused. I would like to turn Japan into an entrepreneurial powerhouse brimming with the entrepreneurial spirit, just like the United States.*
- *I consider regulatory reform to be the key change that will break through obstacles in the private sector's way in every area.*
- *I will transform dramatically the Japan that is grappling with the feeling of being caught in an impasse because it "still limits its executive talent pool to the male, 50 percent of its population."*
- *As soon as I return to Japan, I will be firing the next arrow within my Growth Strategy. I will assertively push through a bold tax reduction in order to stimulate investment.*
- *And the third arrow, which we are shooting now, wants you, Uncle Sam. Because it will make Japan more open to foreign investment … a country that will be like a city, shining upon a hill, with free ports humming with commerce and creativity, ... to go on sounding Reaganesque.*

Clearly we are hoping that Abe is not suffering a reverse "lost in translation" moment. It is somewhat concerning that in a recent *Financial Times* interview he placed speedy labour market reform in the too hard basket; from our perspective, this is at the core of what is required. As we wait for major policy announcements, small changes continue to be implemented, for example:

- Growth in fixed 35 year mortgages (possibly more than just the consumption tax pre-buy).
- NISA[2] accounts go active 1 January 2014 and this follows on from the liberalisation of retail margin accounts at the beginning of 2012.
- East Asian tourist visa liberalisation.
- Corporate revitalisations led by a growing list of companies: Hitachi, Panasonic and Tokyo Electron as they constructively respond to exogenous threats to their survival.

In conclusion, though cautiously optimistic on the outlook for Japanese equities, especially the ones we own, we would also expect the market to exhibit volatility as the reform process by nature remains difficult.

[2] Japan's Nippon Individual Savings Account – Tax free investment accounts for investing in domestic mutual funds and equities which permit contributions of up to ¥1 million per year up to an overall upper limit of ¥5 million. Any dividends and capital gains from listed shares or mutual funds will be allowed to grow completely free of tax during the tax free period of up to five years after initial investment is made.

Platinum International Brands Fund

Simon Trevett Portfolio Manager

Disposition of Assets

REGION	SEP 2013	JUN 2013
Europe	35%	32%
Asia and Other	29%	29%
North America	9%	8%
Latin America	7%	7%
Japan	5%	6%
Africa	2%	2%
Cash	13%	16%
Shorts	7%	5%

Source: Platinum

Performance and Changes to the Portfolio

(compound pa, to 30 September 2013)

	QUARTER	1 YR	3 YRS	5 YRS	SINCE INCEPTION
Platinum Int'l Brands Fund	8%	34%	13%	15%	13%
MSCI AC World Index	6%	31%	12%	4%	-1%

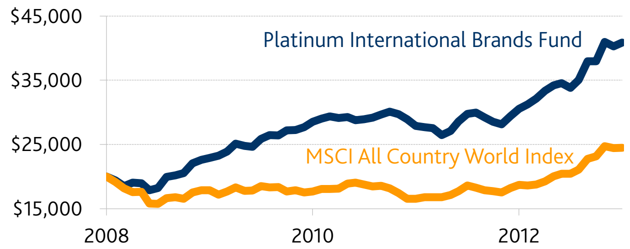
Source: Platinum and MSCI. Refer to Note 1, page 36.

The Fund's performance over the past year at 33.8% and 7.8% for the quarter was ahead of the MSCI World Index. Whilst always preferring to comment on performance in the context of the Fund's investment timeframes (3 to 5 years), the last quarterly report had commented on the Fund's six month performance being below the market. The six month performance of the Fund at 21% this quarter end has improved to now be slightly ahead of the market index.

Whilst any period of underperformance can raise questions, it is worth noting that this Fund will, from time to time, have periods of underperformance. There are several factors that can influence this, including the overall market conditions and more specifically which areas of the market are currently at

Value of $20,000 Invested Over Five Years

30 September 2008 to 30 September 2013



Source: Platinum and MSCI. Refer to Note 2, page 36.

the top of the performance tables and whether the Fund has sufficient weighting. The Fund has, over the years, been able to mitigate (or enjoy!) the various hotspots of equity fashion through its global and somewhat diverse range of holdings.

Significantly more relevant though are the individual performances of the Fund's holdings and the relatively low turnover, with positions built and held over a period of years rather than months. In the past six months, the Fund has been more active in repositioning the Fund which has resulted, for the moment, in an increase in the number of holdings.

As noted in the last report, the Fund had been increasing its interest in on-line retail, specifically to the leading European on-line fashion retailer Zalando. The Fund continued to build positions in Callaway Golf and Puma, both initiated in the prior quarter. The Fund sold out of Adidas as the stock reached all-time highs, having held that investment for several years. A short position was initiated to provide some partial protection on any significant volatility in the technology stocks.

Enterprise Inns, the UK pub company, is the standout contributor to both the quarter and annual performance as the market continues to build confidence that this company can restructure its pub estate whilst reducing the debt burden. There remains considerable value to accrue to shareholders as this process continues over the next two to three years; a reasonable scenario suggesting the share price could still double from these levels. China Mengniu Dairy and BMW's Chinese partner Brilliance continue to contribute strongly.

Commentary

The market is clearly aware of the growth in on-line apparel and footwear sales as evidenced by the success of companies such as the UK listed ASOS. Currently capitalised at £4 billion for annual revenue of £770 million, with the last quarter's reported revenues growing at an enviable 47% (40% for the full year). Zalando has likewise seen stellar growth since its founding in 2008, reaching annual sales of €1.2 billion in 2012 and with first quarter 2013 growth reported at 74%.

There are some important differences between the two, not least of which is that ASOS is profitable. That is likely driven by a number of factors including the higher proportion of more profitable private label offered by ASOS and a lower product returns rate at around 30%. Zalando has been actively expanding, at a cost, into more countries building more logistics capacity and has a product return rate of around 50%.

Traditional retailers would likely consider a 50% product return rate something of a disaster! It is interesting to note that the behaviour patterns of on-line consumers are very different by nationality. Germans are much more likely to buy multiple items and return the unwanted ones; the company is even able to track this behavioural difference in the Germanic regions of Switzerland compared to those of more Italian or French influence. Return rate in itself is only a partially useful measure, with profitability more dependent on the ability of the company's logistic systems to efficiently handle the flow. Importantly, Zalando notes that in Germany, with the highest return rate, they are already operating at break-even.

The Fund has been able to accumulate an interest in Zalando at a valuation of around twice revenues compared with ASOS which the market currently prices at circa four times.

So does this imply that traditional retailers are unlikely to be a good investment as they cede share to the on-line market? Certainly those that don't embrace the changes in technology and buying habits of consumers may fall by the wayside. But is that really much different from past cycles where the evidence of once mighty stores is now only a heritage listed building turned over for alternate uses? The difference today is perhaps the speed of change and exponential escalation in difficulty to catch up once left behind.

The Fund's interest in multi-channel retailers has been highlighted over past reports with the UK retailer Debenhams one of the Fund's larger positions. Debenhams recently reported their on-line sales grew at 46% representing 13% of total sales. On-line visits increased to 240 million and sales from mobile devices, including tablets, up over 200%. This rate of growth is consistent with the on-line market and reflective of consumers increasingly integrating mobile technology into their daily activities and lifestyle.

It isn't just about keeping up, modernising or stemming the loss of share to the on-line participants. It is also about adapting, learning and exploiting the advantages of having stores, offering exclusive brands and building the loyalty of existing customers for a more profitable outcome.

Debenhams multi-channel customers are worth 1.7 times their average store-only customer and 2.4 times their average on-line only customer. Debenhams, as a multi-channel retailer, is at a fraction of the valuation of the on-line participants.

There is much to be learnt and the speed of transition difficult as perhaps more than ever before it is the consumer that is setting the pace. Implicitly they are determining the ranking and importance of a multitude of factors not least of which is the impatience of demanding what they want, when they want it and increasingly where they want it e.g. same day delivery to the office or home for an immediate use. The Fund has a number of other holdings where the importance and success of the on-line channel is being understood and we will continue to learn and adapt our investment positions along with our companies.

Many readers are undoubtedly familiar with Callaway's golf products and the company founded by the charismatic Ely Callaway. Since last speaking to this company, well over a decade ago, the market value has fallen to a fraction of its peak as profitability disappeared along with significant market share. A multi-year decline in the rounds of golf being played added to their woes, further compounded by an aggressive and successful competitor in TaylorMade.

So it was with interest that we followed the changes in senior management at Callaway over the past year and their initial moves to refocus this company on what should always have been their core business of producing innovative, high performance golf clubs that are well-marketed. There is little argument that Callaway neglected and drifted from this central proposition over the years.

The challenge is somewhat more difficult now than it might have been given that TaylorMade (Adidas) and Nike are both formidable competitors with deep pockets. Nonetheless there are some positives such as recruiting experienced senior management from the competitors and a more buoyant Japanese market. Golf becomes an Olympic sport at the Rio 2016 games which should stimulate further interest in the sport, especially in the Asian markets where golf is currently gaining in popularity. Japan is Callaway's largest market outside the US so the awarding of the 2020 games to Tokyo may well assist long before we reach that date.

Given the paucity of golfing skills amongst Platinum's fund managers, any insightful and entertaining observations from those more talented and skilled amongst the readers would be most welcome (invest@platinum.com.au).

Outlook

The Fund continues to find opportunities to pursue its current themes such as the ongoing growth in tourism or the developing consumer markets of India and Latin America. The net invested position of the Fund will likely continue to increase as positions in a number of the more recent investments are still being built.

Platinum International Health Care Fund

Bianca Ogden Portfolio Manager

Disposition of Assets

REGION	SEP 2013	JUN 2013
Europe	45%	45%
North America	25%	27%
Japan	5%	3%
Australia	3%	1%
South America	2%	1%
Cash	20%	23%
Shorts	2%	2%

Source: Platinum

Performance and Changes to the Portfolio

(compound pa, to 30 September 2013)

	QUARTER	1 YR	3 YRS	5 YRS	SINCE INCEPTION
Platinum Int'l HC Fund	9%	35%	21%	12%	7%
MSCI AC World HC Index	4%	40%	20%	8%	6%

Source: Platinum and MSCI. Refer to Note 1, page 36.

This quarter our European biotech holdings stepped up their performance. Swedish Medivir's HCV protease inhibitor (developed in alliance with Johnson & Johnson (JNJ)) is now available in Japan and recent data shows that the drug is a strong contender for future oral combination therapy. Shares advanced 50% this quarter.

Also advancing 50% this quarter was Swedish Orphan Biovitrum. It is becoming clear that its long acting haemophilia drug, as well as its portfolio of rare disease assets, have excellent commercial opportunities.

UK's Vectura is also starting to get traction with approval of Novartis' respiratory drugs in Japan and Europe. Vectura will receive royalties and is now ready to consider building its own commercial infrastructure (shares advanced almost 40% this quarter).

Value of $20,000 Invested Over Five Years

30 September 2008 to 30 September 2013

Source: Platinum and MSCI. Refer to Note 2, page 36.

In the US, biotech continues to be of great interest; new product launches and good phase three results underpin this excitement. Incyte was the lead performer this quarter with pipeline data surprising investors (shares advanced 60% in the quarter).

We have been reducing our Gilead and JNJ positions and have been adding to our European holdings. New investments in Japan and Europe have also been added, albeit these positions are currently small while we continue our due diligence.

Commentary

Are US large biotechs expensive? This question is currently widely debated. To give you an idea, in the US an analyst provided a 15 year price earnings chart of large cap biotech to clients; 400 clients responded at length in an email within an hour. That is quite something for a specialist sector.

US biotechs have been on a roll for the past 12 months. High profile drug setbacks have been limited and if there has been one, a handful of other drugs made up for it by reporting good new data or another takeover was announced. Genomics or the deciphering of the human genome, is finally paying-off and targeted therapies are being approved more frequently. So-called "R&D productivity" levels have risen; analysts see that continuing and believe that failure rates are now lower. Consequently, analysts are comfortable to include phase 2 assets in their valuation, something that has not been done since the 2000 biotech bubble.

Analysts are a lot more aggressive on valuations, while pharma CEO's (not that they are known to take a lot of risk) believe the opposite. Despite all the noise in the press, pharma companies could not see a rationale to top Amgen's bid for Onyxx. Similarly, some biotechs looking for a buyer have so far not been successful despite some promising assets.

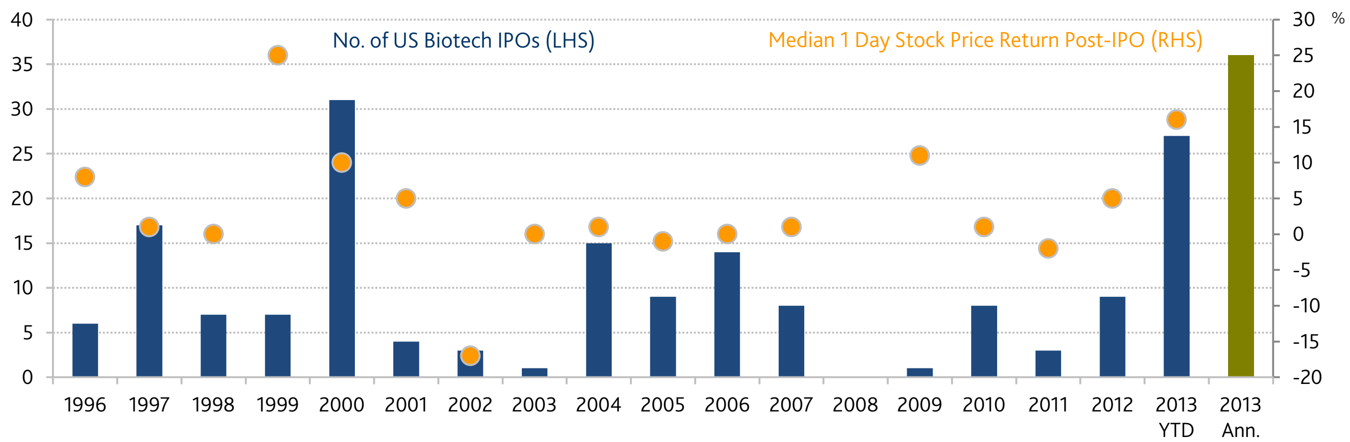
We tend to agree with the executives and are more cautious and selective in our investments.

Biotech valuations today definitely include more risk and reflect the optimism that is particularly present in the US. There is no doubt that US biotechs have done well; approval rates are at a 16 year high and the number of biotechs that independently sell products has been climbing.

However, complacency is dangerous and we should not ignore a couple of indicators that do point out that the sector as a whole is no longer cheap.

The US biotech IPO market has been absolutely stellar; the chart below shows a better result than in 2000.

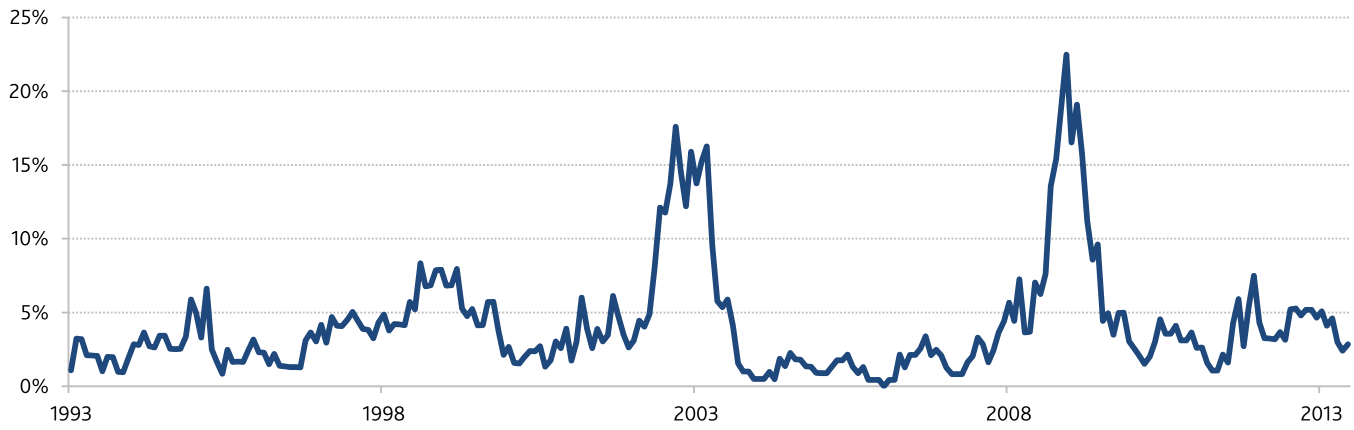
US Biotech IPOs



Source: International Strategy and Investment

The number of biotechs that are valued at below cash levels is also trending low historically (see chart below).

% of US Biotech Companies with Less than 1x Net Cash



Source: International Strategy and Investment

There is a lot of data analysis going on currently trying to evaluate if there is or isn't a bubble happening. This dicing/slicing alone indicates that better value should be found outside the US.

On our recent trip to Europe we visited a number of companies that have interesting businesses. They may not have the next blockbuster product that tends to attract analyst attention, but they do have a number of smaller products that can make a large impact and result in nice returns.

Outlook

Over the coming months a number of high profile drug launches will happen and in many ways conclude the transition to a new product cycle for several of the large biotechs. It is then up to the next layer of companies to maintain the optimism and produce solid late stage results. We have been adding to this part of the sector.

Outside the US, it is China that demands attention. Sales practices have come under immense scrutiny. Pharma sales in China by multinationals have been disrupted, however, once the clean-up has occurred a much more level playing field will prevail.

We remain selective in our investments and continue to pay close attention to valuation.

Platinum International Technology Fund

Alex Barbi Portfolio Manager

Disposition of Assets

REGION	SEP 2013	JUN 2013
Asia and Other	30%	22%
North America	26%	26%
Europe	22%	20%
Japan	11%	11%
Africa	2%	1%
Cash	9%	20%
Shorts	2%	2%

Source: Platinum

Performance and Changes to the Portfolio

(compound pa, to 30 September 2013)

	QUARTER	1 YR	3 YRS	5 YRS	SINCE INCEPTION
Platinum Int'l Tech Fund	8%	34%	9%	10%	8%
MSCI AC World IT Index	6%	24%	13%	7%	-6%

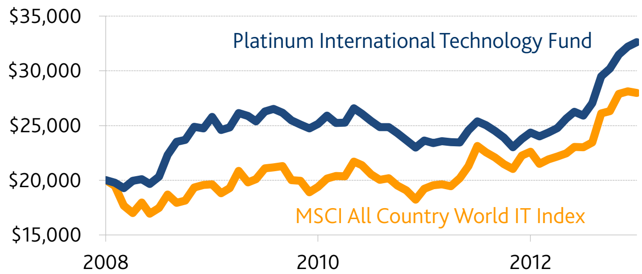
Source: Platinum and MSCI. Refer to Note 1, page 36.

It was another good quarter for technology stocks with the MSCI World Information Technology Index (A$) up 6.3%. In this context, the Fund performance for the quarter (+8.1%) and the last 12 months (+34%) was satisfactory in both absolute and relative terms.

Among the Fund's best performers and major contributors were: Baidu +64%, Sina +45%, Youku Tudou +43% (Chinese Internet stocks), Safaricom +30% (African mobility), Micron Technology +22% (DRAM and NAND memories) and NXP Semiconductors +20%.

Value of $20,000 Invested Over Five Years

30 September 2008 to 30 September 2013



Source: Platinum and MSCI. Refer to Note 2, page 36.

Detracting from performance were BYD Electronic -16% (handsets components), China Communication Services -7.5% (telecom networks services) and Intel -5.5% (semiconductors).

During the quarter we reduced our position in **Vodafone** after the announced deal to dispose of their 45% stake in the Verizon Wireless joint venture for $130 billion. We were happy to see the key assumption underpinning our investment confirmed by this deal, but we now believe that most of the upside in the stock is now priced in.

We introduced a position in South Korea based **SK Hynix**, adding to our investment theme of memory chips price recovery (refer to Platinum International Technology Fund June 2013 quarterly report).

We also re-introduced two names already familiar to the Fund in recent years: **eBay** and **Apple**. Both had been underperforming over the last year or so and we believe they are now worth another look.

eBay is solidly growing its core Marketplaces and PayPal businesses with a strategy to grow both internationally and in physical retailing; and we like its double digit profit growth trajectory. We are confident that the current management team is steering this e-commerce pioneer in the right direction thanks to innovative solutions aiming to make eBay the leading on-line/off-line retail enabler.

Apple is now clearly neglected: investors are worried about its ability to sustain its recent spectacular growth and high margins. Nokia's voyage from stardom to its current diminished status is still fresh in everybody's mind.

We are obviously aware of consumer electronics rapid pace of innovation and fleeting consumer tastes, but if we judge from Apple's current valuation at 11 times perspective price earnings, its huge free cash flow generation and potential capital management levers, we see very limited downside. At the same time we believe the company has not lost its ability to innovate (see more below) and retain many new areas of growth.

Commentary

During the quarter the appetite for Internet stocks was very high across major markets and we can probably identify the positive Facebook earning's announcement in July as the tipping point for renewed investor interest in everything related to e-commerce, social networks, mobile advertising etc. This optimism quickly expanded from the US to other geographies and we believe it reflects the increasing adoption of these services by the masses: generations of consumer are now joining this "second revolution" (the first was in 1999/2000… but really this new wave is just the late blooming of what was seeded back then). Thanks to smaller/portable devices in the form of smart phones and tablets, literally hundreds of millions of consumers have already changed the way they communicate, shop, interact etc. (Please also read the Platinum International Fund's quarterly report and Kerr's observations on this ongoing transformation).

Our recent review of the new iPhone 5S revealed an interesting wireless innovation which is briefly described below.

iBeacons

We regularly hear about how on-line shopping is killing retail, but until Amazon can deliver you a fresh sandwich in five minutes, local commerce will still remain a large part of the economy. Emerging ideas such as iBeacons hold the promise of enabling localised marketing for retailers, more appropriate information and simpler payment methods for customers.

What are iBeacons?

Apple recently released updated software for their mobile devices, called iOS 7, when they announced the new iPhones 5S and 5C. iBeacons are a software feature included in this update. It is not a feature that users can access directly, rather it is a group of APIs (Application Programming Interfaces) targeted at third-party app developers. It enables a new generation of apps that can continuously listen for short-range wireless triggers, activation of which enable things such as indoor navigation, location-based marketing and mobile payments.

Why now?

iBeacons leverages Bluetooth LE, which is an open standard and compatible hardware that has been shipping in phones now for a few years. For example, anyone with an iPhone 4S or newer running iOS 7 can benefit. Since the release of iOS 7, in the space of just a few weeks, the addressable market is now estimated at more than 200 million people worldwide. Apple isn't providing a proprietary solution, rather just a set of tools that make it much easier for developers to add very granular, always-on and low power consumption location features to their applications. It is the combination of simplicity of implementation, the leverage of mature open standards and a potentially large addressable market that might give this the momentum needed to take-off.

How might it work?

In time, we might be surprised at the ways developers leverage the framework, but as an example, imagine Woolworths (or Coles) publishing a shopping list app, where you could jot down what you needed for your weekly trip to the supermarket. By implementing iBeacons, Woolworths would know the exact moment you walked into a store and could show a map of that store and the location of all the items in your shopping list. Small battery-powered Bluetooth beacons could be placed around the store to monitor foot traffic to enable better placement of products and bring up specials as you approached. Your phone might hold your credit card details enabling you to pay without even swiping and reward points would be added to your account and similarly automatically recognised at a service station when buying fuel at a discount.

Poorly thought-out examples aside, there are some early real-world examples too. In the US, Major League Baseball is testing iBeacons in stadiums to help attendees find their seating as well as offering coupons for meals, drinks and merchandise. PayPal will also soon offer small beacons to retailers so customers can automatically check-in when they arrive and pay for products just by confirming their name. There are also start-ups such as Estimote making low-cost beacons that can last years on a small battery and broadcast product information or special offers to customers appropriate to the context. You may finally be able to empty your wallet of all those café loyalty cards!

What it isn't/Concerns

Given that you have to install and approve the application, it is unlikely we'll be bombarded with ads on our phones as we walk down the street … hopefully. It does, however, raise some privacy concerns about businesses ability to track customers' movements with unprecedented accuracy.

Who benefits?

There are obvious convenience benefits for customers and opportunities for retailers to better understand and target marketing to those customers. There is also undoubtedly a mad rush to create the best software implementation among the developer community. With the credit card details of hundreds of millions of iTunes/App Store customers on file and a newly integrated fingerprint reader in the iPhone there is evidence Apple is working on a strategy to enable people to make off-line payments with just a touch of their finger on their own device. PayPal, with its strong pool of 140 million users and its strategic investment in mobile applications, will also be able to benefit and accelerate its entry in the vast market of off-line payments.

Outlook

While the quarter was characterised by very strong performance of everything Internet and/or e-commerce related, more "traditional" large-cap technology stocks have been lagging reflecting tougher conditions in the enterprise markets.

The Fund will maintain a balance between those two areas with an eye to re-balancing towards lower valuation stocks, should they present an attractive entry point and in light of specific growth opportunities.

Glossary

Earnings Per Share (EPS)
An indicator of a company's performance. It is calculated by dividing the company's after-tax earnings by the number of shares on issue to highlight the profit earned in terms of each share.

Gross Domestic Product (GDP)
The primary indicator used to gauge the health of a country's economy. It represents the total dollar value of all goods and services produced over a specific time period.

Japanese Government Bond (JGB)
A bond issued to investors by the Japanese Government, denominated in Japanese yen. Currently JGBs (10 year) offer a yield of about 0.65%. Bond prices have an inverse relationship to bond yields. This means that falling bond prices denote rising yields and vice versa. If the economic outlook in Japan begins to improve and long-term interest rates rise in Japan, JGB prices will fall. By short selling JGBs, the Platinum Japan Fund is positioned to benefit from an improvement in the Japanese economy.

MSCI Indices
Varying indices compiled by Morgan Stanley Capital International (eg. World, Asia, Healthcare etc) that are designed to measure equity market performance across different regions and industries.
Platinum does not structure its investment portfolios relative to a benchmark, however, the MSCI indices are used as a reference to determine how each Fund is performing in relation to the total market opportunity in which it invests.

Price to Earnings Ratio (P/E)
The ratio of a company's current share price to its per share earnings. The P/E is used as an indicator of the value of a company by comparing its share price to the amount of per-share earnings the company generates.

Quantitative Easing (QE)
A monetary policy used by Central Banks to increase the supply of money by increasing the excess reserves of the banking system.

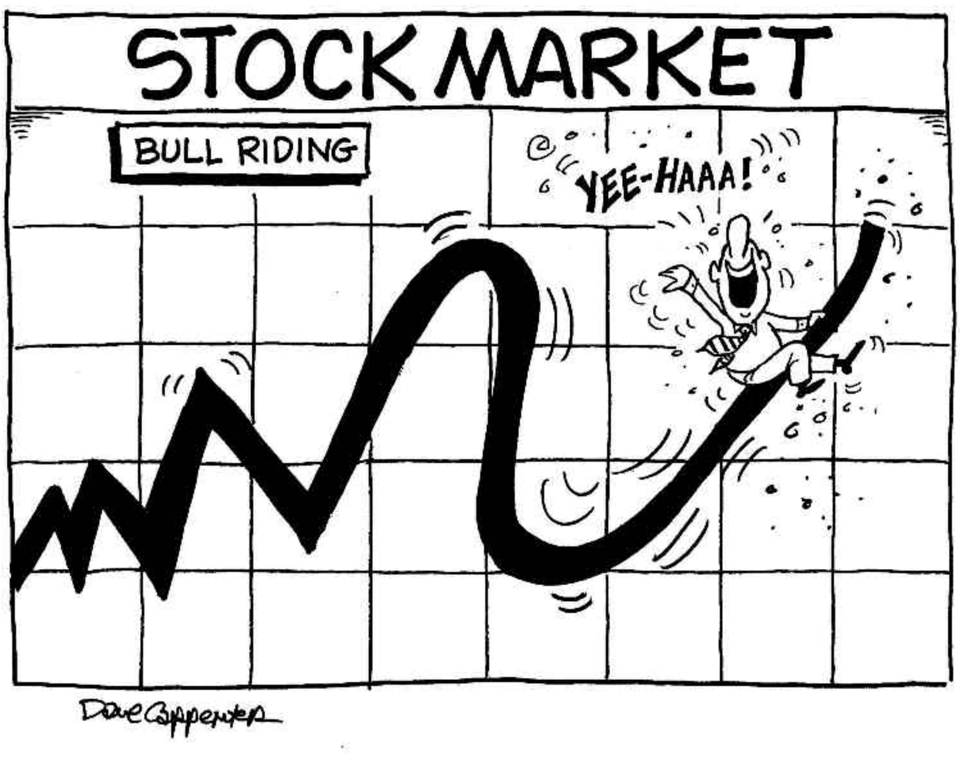
Short Selling or Shorting
A transaction by which an investor is able to generate profit from a fall in the price of a particular company or market index. To generate such a profit an investor borrows securities and sells them, then when the price has fallen, the investor repurchases the securities at a lower price and returns them to the lender.
Platinum utilises short selling of stocks and indices for risk management (that is, to protect a Fund's Portfolio from either being invested or uninvested) and to take opportunities to increase returns.
Short selling is not undertaken for the Platinum Unhedged Fund.

Please visit our new website at:

http://www.platinum.com.au

We have a section titled 'The Journal' providing in-depth commentaries on stocks, views and insights, and the fundamentals of investing.

"The new regulations arrived earlier today."



Notes

1. The investment returns are calculated using the Fund's unit price and represent the combined income and capital return for the specific period. They are net of fees and costs (excluding the buy-sell spread and any investment performance fee payable), are pre-tax, and assume the reinvestment of distributions. The investment returns shown are historical and no warranty can be given for future performance. You should be aware that historical performance is not a reliable indicator of future performance. Due to the volatility of underlying assets of the Funds and other risk factors associated with investing, investment returns can be negative (particularly in the short-term).

   The inception dates for each Fund are as follows:
   Platinum International Fund: 30 April 1995
   Platinum Unhedged Fund: 31 January 2005
   Platinum Asia Fund: 4 March 2003
   Platinum European Fund: 30 June 1998
   Platinum Japan Fund: 30 June 1998
   Platinum International Brands Fund: 18 May 2000
   Platinum International Health Care Fund: 10 November 2003
   Platinum International Technology Fund: 18 May 2000

2. The investment returns depicted in this graph are cumulative on A$20,000 invested in the relevant Fund over five years from 30 September 2008 to 30 September 2013 relative to their Index (in A$) as per below:
   Platinum International Fund - MSCI All Country World Net Index
   Platinum Unhedged Fund - MSCI All Country World Net Index
   Platinum Asia Fund - MSCI All Country Asia ex Japan Net Index
   Platinum European Fund - MSCI All Country Europe Net Index
   Platinum Japan Fund - MSCI Japan Net Index
   Platinum International Brands Fund - MSCI All Country World Net Index
   Platinum International Health Care Fund - MSCI All Country World Health Care Net Index
   Platinum International Technology Fund - MSCI All Country World Information Technology Net Index
   (nb. the gross MSCI Index was used prior to 31 December 1998 as the net MSCI Index did not exist).

   The investment returns are calculated using the Fund's unit price. They are net of fees and costs (excluding the buy-sell spread and any investment performance fee payable), pre-tax and assume the reinvestment of distributions. It should be noted that Platinum does not invest by reference to the weightings of the Index. Underlying assets are chosen through Platinum's individual stock selection process and as a result holdings will vary considerably to the make-up of the Index. The Index is provided as a reference only.

3. Long invested position represents the exposure of physical holdings and long stock derivatives. The net invested position represents the exposure of physical holdings and both long and short derivatives.

Disclaimer

MSCI Inc Disclaimer

Platinum Asset Management is a Sydney-based manager specialising in international equities. The investment team uses a thematic stock-picking approach that concentrates on identifying out-of-favour stocks with the objective of achieving superior returns for our clients. We pay no heed to recognised indices. We aim to protect against loss and will hedge stocks, indices and currencies in our endeavours to do so.

The firm was founded in February 1994 by a group of professionals who had built an enviable reputation. The investment team has grown steadily and PAM now manages around $21 billion, with approximately 14% of this coming from overseas investors. The Company was listed on the ASX in May 2007 and staff remain the majority shareholders.

Since inception, the Platinum International Fund has achieved returns more than twice those of the MSCI All Country World Index* and considerably more than interest rates on cash.

Investor services numbers

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